

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 EB-08 INR-07 LAB-04 NSAE-00
PA-01 SIL-01 USIA-06 PRS-01 CU-04 /045 W
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R 120836Z SEP 77
FM AMEMBASSY BERLIN
TO SECSTATE WASHDC 5580
INFO DEPTAGRIC WASHDC
USDOC WASHDC
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION USBERLIN

C O N F I D E N T I A L SECTION 01 OF 02 BERLIN 07213

E.O. 11652: GDS
TAGS: PGOV, PFOR, GE, US
SUBJECT: MY INITIAL MEETING WITH FOREIGN TRADE STATE SECRE-
TARY BEIL.

REF: A) BERLIN 6948, B) BERLIN 7128 (NOTAL)

SUMMARY: I MET WITH FOREIGN TRADE STATE SECRETARY BEIL AT
THE LEIPZIG FAIR ON SEPTEMBER 8. BEIL MENTIONED NEXT YEAR'S
DRESDEN ART EXHIBIT AND DISCUSSED LARGE CONTRACTS BEING
NEGOTIATED WITH DOW CHEMICAL COMPANY AND HONEYWELL. BEIL
SAID HE AND MINISTER OF CHEMICAL INDUSTRY PLAN A VISIT TO
DOW IN MICHIGAN IN DECEMBER. I EXPRESSED US INTEREST IN
ANOTHER ROUND OF GRAIN CONSULTATIONS AND BEIL AGREED TO
SUGGEST A DATE ON WHICH US OFFICIALS MIGHT COME TO BERLIN.
END SUMMARY.

1. I RECEIVED FOREIGN TRADE STATE SECRETARY BEIL AT THE
US BUSINESS DEVELOPMENT OFFICE AT THE LEIPZIG FAIR ON
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SEPTEMBER 8. I COMPLIMENTED BEIL ON HIS CONTRIBUTION TO THE
POSITIVE DEVELOPMENT OF US-GDR TRADE AND ECONOMIC RELATIONS.
I STRESSED THAT POSITIVE DEVELOPMENTS IN THE TRADE FIELD
WOULD BE BENEFICIAL TO OUR TWO COUNTRIES AND SERVE
BROADER INTERESTS.

2. BEIL REPLIED WITH THANKS. HE MENTIONED HIS VISIT TO THE

U.S. IN JUNE FOR THE JOINT SESSION OF THE US-GDR AND GDR-US TRADE AND ECONOMIC COUNCILS. HE SAID THE COUNCILS WOULD PROVIDE IMPULSE TO THE FAVORABLE DEVELOPMENT OF RELATIONS. BEIL RECALLED A CONVERSATION FOUR YEARS AGO WITH CHASE MANHATTAN PRESIDENT DAVID ROCKEFELLER, WHO EXPRESSED INTEREST IN A DRESDEN ART EXHIBIT IN THE US. BEIL THOUGHT THE REALIZATION OF THAT IDEA ON MAY 30 NEXT YEAR AT THE NATIONAL GALLERY WAS AN IMPORTANT RESULT OF CONTACTS BETWEEN BUSINESS LEADERS OF THE US AND GDR; THIS WAS A GOOD EXAMPLE OF THE BROADER BENEFICIAL IMPACT OF TRADE CONTACTS.

3. TURNING TO COMMERCIAL MATTERS, BEIL SAID THE GDR HAD FOUND ITS TALKS SEPTEMBER 4 AND 5 WITH DOW CHEMICAL COMPANY PRESIDENT MERSZEI VERY USEFUL. A LARGE CONTRACT INVOLVING RELATIONS UNTIL 1984 WILL BE SIGNED BY THE END OF SEPTEMBER. (NOTE: THE CONTRACT IS FOR THE CONTINUED SALE OF BUTADIENE TO THE GDR.) HE SAID MR. MERSZEI'S INTEREST IN GDR TECHNOLOGY FOR THE EXPLOITATION OF LIGNITE COAL OFFERS A PROMISING POINT OF DEPARTURE FOR THE DEVELOPMENT OF BUSINESS IN A NEW FIELD. BEIL SAID NO OTHER COUNTRY HAS HAD AS MUCH EXPERIENCE WITH LIGNITE COAL AS THE GDR, WHICH MINES 240 MILLION TONS ANNUALLY. IN THE GDR, BEIL SAID, 81 PERCENT OF ELECTRICAL ENERGY IS PRODUCED FROM LIGNITE. BEIL SAID MERSZEI HAD INVITED HIM AND CHEMICAL INDUSTRY MINISTER WYSCHOFKY TO COME TO MIDLAND, MICHIGAN. BEIL TENTATIVELY EXPECTS THE TRIP WILL TAKE PLACE IN CONFIDENTIAL

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DECEMBER. BEIL SAID HE HOPED HE WOULD HAVE A FREQUENT OPPORTUNITY TO MEET WITH ME IN BERLIN TO OBTAIN SUPPORT ON QUESTIONS OF MUTUAL INTEREST.

4. I THANKED BEIL FOR THE INFORMATION HE PROVIDED ON US BUSINESS RELATIONS, AND ASSURED HIM OF MY FULL SUPPORT FOR EFFORTS TO EXPAND BUSINESS CONTACTS WITH US FIRMS. I SAID IT WOULD BE USEFUL TO HAVE PERIODIC CONSULTATIONS IN BERLIN. DOW HAS SET AN EXAMPLE IN ITS BUSINESS RELATIONS WITH THE GDR WORTHY OF EMULATION BY OTHER COMPANIES. THE WHOLE AREA OF COAL EXTRACTION AND GASIFICATION IS OF GREAT CURRENT INTEREST IN THE US; IT IS HOPED THAT DOW AND THE GDR CAN DEVELOP A PROFITABLE RELATIONSHIP IN THIS FIELD.

5. BEIL THEN SAID THE GDR HAD ALSO HAD INTERESTING TALKS WITH HONEYWELL EXECUTIVES DURING THE FAIR. THE GDR EXPECTS TO CONCLUDE A LARGE CONTRACT WITH HONEYWELL FOR CONTROLS FOR THE SCHWEDT AROMATICS PROJECT, AND IS WORKING WITH HONEYWELL WITH THE GOAL OF STANDARDIZING CONTROLS IN THE GDR ECONOMY. I EXPRESSED SATISFACTION AT HONEYWELL'S ROLE IN THE SCHWEDT PROJECT AND REMARKED THAT AMERICAN COMPANIES ARE PARTICIPATING IN VARIOUS OF THE CONSORTIA

CURRENTLY BIDDING FOR THE PROJECT. I TOLD BEIL I WISHED TO REMAIN NEUTRAL AS AMONG US FIRMS, BUT WE HOPED OUR COMPANIES WILL HAVE A CHANCE TO PARTICIPATE IN ALL ASPECTS OF THE PROJECT.

6. TURNING TO THE SUBJECT OF AGRICULTURAL TRADE, I MENTIONED MY CALL ON DEPUTY AGRICULTURE SECRETARY WHITE. HE HAD EXPRESSED REGRETS THAT URGENT BUSINESS WITH THE CONGRESS HAD MADE IT IMPOSSIBLE FOR SENIOR AGRICULTURE OFFICIALS TO MEET WITH BEIL IN JUNE. AGRICULTURE REMAINED

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INTERESTED, HOWEVER, IN CONTINUING THE CONSULTATIONS UNDER THE ARRANGEMENT REACHED IN NOVEMBER 1976. BEIL SAID THE GDR WISHES TO STAND BY THE WORD IT GAVE LAST NOVEMBER; IT WOULD WELCOME ANOTHER ROUND OF GRAIN CONSULTATIONS AT A SENIOR LEVEL. BEIL SUGGESTED THAT A ROUND BE HELD IN BERLIN AND SAID HE WOULD INFORM US ABOUT A SUGGESTED DATE. BEIL ADDED THAT THE GDR GRAIN CROP HAD BEEN FAIRLY GOOD, YIELDING A QUANTITY THAT WOULD BE SATISFACTORY IF IT COULD BE HARVESTED. HE NOTED THAT THE GDR HARVEST WAS IN ANY EVENT NOT CENTRAL TO THE QUESTION OF GRAIN IMPORTS FROM THE US. THE GDR SUPPORTS A LARGE LIVESTOCK INDUSTRY; IT REQUIRES STEADY IMPORTS OF FEED. THIS WAS THE SENSE OF ITS UNDERTAKING WITH THE US TO IMPORT 1.5-2 MILLION TONS OF GRAIN ANNUALLY. I ASSURED BEIL THAT THE US WOULD REMAIN A RELIABLE SUPPLIER.

7. THE CONVERSATION CONTINUED IN A LIGHT VEIN WITH BEIL
REMARKING ON US AGRICULTURAL ESTIMATES BASED ON SATELLITE
PHOTOGRAPHY, CALIFORNIA WINE, AND THE EMBASSY'S EXECUTIVE
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SUITE (WHICH BEIL HAD ONCE VISITED ON AN EXCEPTIONALLY
WARM DAY). CONCLUDING, BEIL REMARKED THAT HE HAD INTEN-
TIONALLY EXCLUDED THE MORE DIFFICULT QUESTIONS IN OUR
RELATIONS FROM HIS FIRST, IN EFFECT, INTRODUCTORY CONVER-
SATION. I EXPRESSED THE HOPE WE COULD DEVELOP GOOD
PERSONAL AND OFFICIAL RELATIONS AND DEAL WITH OUTSTANDING
PROBLEMS IN A FRANK AND FORTHRIGHT MANNER. BOLEN

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Concepts: DIPLOMATIC DISCUSSIONS, FOREIGN TRADE, MEETING REPORTS, TRADE AGREEMENTS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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